

Can you imagine grown men and women sitting around saying: What is our target group for credit cards. We think this is our target group for the new Hello Kitty Platinum Plus Visa credit card. Is this unbelievable? If somebody said to you in class at Harvard Business School: Here is a business proposition. What do you think it will be like if you run a company and you are putting credit cards out there and you are aiming credit cards at kids, 12-year-old kids.

This is, obviously, the Hello Kitty Platinum Plus card. I would love to know the person who thought this up, to ask: Are you nuts?

My son happened to get a credit card solicitation a long while ago. He is in college now. He got a solicitation from a credit card company saying: We have a preapproved credit card for you, and we want you to take a trip to Paris, France. So actually I came to the floor of the Senate and explained to this credit card company, my son is only 12 years old. He is not going to Paris. He is not going to take your credit card either.

But what are the credit card companies doing soliciting young kids to get a credit card?

This is not an accident. I just showed you: Our target audience is 10 to 14. So what do we do with the targets? We design a credit card, a Hello Kitty Platinum Plus, pink and white and yellow. Unbelievable.

Let me show you a credit card for people who don't have such great credit. They get a gold card. This is First Premier Bank. Here is what they do. You don't have such good credit? We will give you a credit card. Come on. The limit is going to be \$250. It is going to be gold. But here is the trick. In order to get this credit card that you can use for up to \$250, you have to pay a \$48 annual fee. You have to pay a \$29 account set-up fee, a \$95 program fee and \$7 a month for servicing. Does that sound like good business to you? Not to me. It sounds like the kind of thing I used to see in the movies. They wore strange suits with big thick stripes, and they carried violin cases. They loaned each other money.

I understand this. Michigan State University. I could use this for any university. A credit card company wanting to wallpaper the dorms and fraternity houses of virtually anyone who is going to college. Most of them don't have a job; some do. I understand the value of a credit card for a college student. What I don't understand is, the credit cards are given to a college student and, in many cases, the parents will cosign because if the student doesn't have a job, you have to have the parents' cosignature. Then all of a sudden the credit card limit is increased without the permission of the cosigner. That is the game.

Here are some notes from constituents of mine. This is a couple from Minot:

My wife and I both have credit scores greater than 800 and have never been late on

any of our payments. So Capital One just sent us a notice that our interest rate on our credit card will almost triple.

Never been late, always made payments on time. Their interest rate is going to triple.

Here is one from Fairmount:

I just wanted to let you know how upset I am with the credit card company (Citibank). They have decided to raise my interest rate to 27 percent. I have always paid my bill on time, have a good credit rating (820). Why would a company that has been bailed out by taxpayers because of bad practices then decide to stick it to us by raising interest rates so high.

He refers to the local mafia, but the fact is, I know there are no local mafia there.

From Williston:

Enough is enough. We have shored up these banks with our hard-earned tax dollars just to have them raise the interest rates on their credit cards to 28 percent and 26.3 percent for absolutely no reason. Something has to be done.

Let me reiterate that I think credit cards are valuable and useful. Most of us use credit cards. But what I think has happened is certain practices have evolved and developed that are pretty unseemly. A practice that says: We need to figure out how to go after kids. It reminds me of the tobacco debate. Because if you don't get a kid when they are a kid, you are not going to get them to smoke; right? Anybody know of somebody who has reached the age of 30 and they are sitting around their living room thinking to themselves, all right, I need to do something different, what haven't I yet done that I should begin doing, and decides the answer is to start smoking? Does anybody know anyone like that? The only way you get somebody to smoke is you find a kid and addict the kid to cigarettes. What about this, aiming a Visa card at 10 to 14-year-olds? It is unbelievable to me.

We bring a bill to the floor of the Senate that we think we will vote on tomorrow. We will have a cloture vote first. We will see if we can't put a stop to some of the practices that have allowed some of the same companies that have gotten substantial bailout funds to say to their customers, who have always paid their bills on time, never been late: We have a treat for you. We have a big, old surprise in your mailbox. You know that 7 percent or 9 percent interest rate you used to pay on your credit card balance? No more. Now it is going to be 27 or 28 percent.

That is not a business practice I think is justifiable. I think Senator DODD and Senator SHELBY from the Banking Committee have brought us legislation that is necessary and one that will be helpful in trying to put a stop to unfair business practices.

I know there are some who say this is none of government's business. I think it is. When consumers are injured, consumers individually and even in a significant group are no match for the size of the companies that have decided to engage in this and do this to the

American people. This legislation is very simple. It sets up the conditions under which we will try to protect consumers from arbitrary interest rates, fee and finance increases, and we will prohibit interest charges on paid-off balances from previous billing cycles, prohibit interest charges on debt that is paid on time. We will require payments to be applied first to the credit card balance with the highest interest rate. We will protect students and other young consumers from aggressive credit card solicitations. We will require greater disclosure of rates and terms and billings, details by credit card companies, and establish tougher penalties for companies that violate these laws.

This is not rocket science. It is very simple. When you engage in these practices and start injuring consumers, often without their knowledge, when you are doing something that is fundamentally unfair and doing it all across the country, the Banking Committee, led by Senators DODD and SHELBY, has a right and the Senate has a right to say: We will try to put a stop to it. There needs to be some semblance of fairness and equity for the American people. There are a whole lot of folks who go to work every day, work hard, try to do the best they can to care for their family and deal with their daily lives. They pay their bills. They have credit cards. They pay those credit card bills. They have made a deal with the credit card company over time about the conditions of that credit card bill, only to discover one day when they come home from work their mailbox contains a little message from the credit card company: Yes, you are a good customer. We have news for you. You are going to pay higher fees and triple the interest rates, and there is not a thing you can do about it.

Well, do you know what? The American people can do something about it through the actions of the Senate. I think that is going to happen—beginning tomorrow—and I think it will be good news for the American people.

Mr. President, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BINGAMAN). Without objection, it is so ordered.

#### CREDIT CARD ACCOUNTABILITY, RESPONSIBILITY AND DISCLOSURE ACT

Ms. KLOBUCHAR. Mr. President, I am here to speak out in support of the Credit Card Accountability, Responsibility and Disclosure Act.

I am proud to be a cosponsor of this bipartisan legislation, which will help to end the abusive practices of the

credit card industry that are hurting so many hard-working middle-class families. I thank Senator DODD and Senator SHELBY for their efforts to come together on a bill that protects consumers and brings so much needed relief to Main Street families. It has been a long time in coming. I wish we had been able to pass this a few weeks ago, but I am hopeful we will be able to get it done this week.

As families are sitting around the kitchen table looking at their budgets, they have a lot of expenses to deal with—the basics such as food, electricity, the rising cost of college and health care, and growing credit card bills.

Seventy-eight percent of households in this country have at least one credit card. At the end of last year, Americans' credit card debt was more than \$972 billion. The average household debt is more than \$8,300. This does basically track—when you look back over the last 8 to 10 years—where wages have gone down and expenses have gone up. I know that before we entered this economic crisis, it was about \$6,000 that the average middle-class family was behind. Now you see \$8,300—their credit cards. But it is not just debt that families are paying off. In 2006, two-thirds of the credit card companies' profits came from interest payments.

So millions of families are dealing with huge amounts of credit card debt at the same time they are dealing with the many other challenges that are a result of this economic downturn. Their hours have been reduced or one of them may have lost a job or they may have difficulty sending their kids to college.

This isn't just an economic issue, it is also an issue of fairness and common sense. I believe Americans have the obligation and duty to pay the debts they owe. But too many credit card companies are using deceptive practices and fine print to take advantage of hard-working American families. The credit card companies are using tiny words on the back of the bills, and they are doing this to pad their own profits.

Many companies hide the terms of the agreement behind fine print and confusing language. They apply payments to the low-rate balances before high-rate balances and, worst of all, they raise interest rates without proper notice.

According to the Consumers Union, a study of the 12 largest credit card issuers found that 93 percent of credit cards allowed the issuer to raise the interest rate "at any time" by changing the agreement; 93 percent of credit cards allow the issuer—the credit card company—to raise the interest rate at any time by simply changing the agreement.

This isn't right. Credit card companies should not be making a profit by pulling the rug out from under American consumers.

When I think about this issue, I don't just think about that 93 percent figure,

I think about people in my State who have played by the rules and used credit cards responsibly and made timely payments and have good credit ratings—only to turn around and have the rules changed.

I heard from one man in Mahtomedi, MN, who had a credit rating of 800. He had never made a late payment, had never been delinquent on his account in any way. He got word in April that his fixed rate of 5.9 percent was going up to 10.9 percent in May and would thereafter be a variable rate; that is, what used to be a fixed rate at 5.9 percent will be changing constantly. He will have no control.

He called the credit card company to complain and, do you know what. The credit card company told him he ought to be happy because his was one of the lower rate increases. They told him he should not take it personally.

It is awfully hard not to take these rate increases personally when you have not done anything to justify having your rate increased, when you are going to have a tough time making ends meet anyway because of the tough economy, and because you have to pay so much more to keep a card you have had for years and years.

I also heard from a woman in St. Joseph, MN. She had her credit card for 12 years. She had never been late on a payment and has her credit card bill automatically paid from her checking account every month. She recently contacted her credit card company because she noticed her interest rate had suddenly gone up a lot in 1 month. She had received no advance notice from her bank about the interest rate increase.

But her problems didn't stop there. The problem was that the credit card company applied the new interest rate to her existing balance, and with the new interest rate factored in, her balance suddenly exceeded her available credit.

Do you know what? She got hit with another interest rate increase. This woman, who had been a great customer for 12 years, saw her interest rate go up from 8 percent, to 19.3 percent, to 27 percent—all in a matter of 16 days—and through absolutely no fault of her own. She started at 8 percent and she had the money deducted from her checking account every month and she had not had any problems with late payments. She starts at 8 percent, goes up to 19.3 percent, and she ends up at 27 percent—all in a matter of 16 days, through no fault of her own. They raised the interest rate without telling her, applied it to her existing account balance and, suddenly, she was stuck with a problem she didn't even create.

In the letter she wrote to me, she asked some valid and heartbreaking questions:

How is something like this legal? How can the credit card companies make it even harder in such hard times?

These are questions a lot of hard-working Minnesotans and other Ameri-

cans are asking today, and they deserve answers.

We want Americans to pay their debt, and we want our businesses to succeed, but consumers deserve a level playing field, they deserve some rules of the road, and they deserve an end to the abuses and deceptive practices by the credit card industry.

The credit card bill that is on the floor is going to do that. The bill will put commonsense rules into place to ensure fairness for consumers.

First, the bill protects people from arbitrary interest rate increases, such as we saw with the man from Mahtomedi, MN, and the woman from St. Joseph, MN. It establishes fair rules and makes sense for how and when companies can raise interest rates. Additionally, the bill prohibits credit card companies from increasing rates on a cardholder for the first year when that account is open.

Second, the bill requires credit card companies to give people 45 days' notice of interest rate, fee, and finance charge increases. This will ensure that people such as the woman from St. Joseph, MN, who wrote me, would not see any surprises on their credit card statements anymore. They will get a notice.

Third, the bill prevents credit card companies from charging abusive fees. For example, credit card companies would not be able to charge you a fee for the "privilege" of paying down your credit card.

Fourth, the bill requires more transparency from credit card companies. Credit card bills will be mailed 3 weeks before they are due to give consumers plenty of advance warning. Credit card companies will have to disclose any changes to the terms of a credit card agreement when people renew their cards. They will have to be upfront about the length of time and the total interest it will take to pay off the card balance if people only make minimum monthly payments. I think that would be helpful for many people I know, if they knew exactly how long it would take—if they just pay the minimum amount—and how much extra they would be paying. They will have to post their credit card agreements on the Internet so people can look at them anytime and compare them.

Fifth, the bill strengthens oversight of the credit card industry so we can hold companies accountable for their behavior.

This legislation will give consumers much-needed protections from bad practices that have been going on for too long. It is the beginning of leveling the playing field.

If we are going to get our economy moving, we need to restore trust in our financial systems, and when it comes to the credit card industry, that means protecting consumers from unfair practices and putting into place commonsense rules that will bring much-needed transparency and accountability.

We will be voting on this bill shortly. When I cast my vote, I will be voting

for all the people in my State who are working hard and playing by the rules and just want the credit card companies to do the same.

We cannot forget that the ultimate goal of reviving our economy is to make it possible for people in this country—who have worked hard, done everything right, paid their bills, and gotten these credit card bills—to get ahead. This bipartisan legislation, which I cosponsored, will end the unfair practices that have been going on too long for Main Street families, so they can keep more of their hard-earned money.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### JUSTICE SANDRA DAY O'CONNOR

Mr. DURBIN. Mr. President, I just left a ceremony in the Hart Office Building, not far from where we are meeting, which is an annual event where the University of Illinois presents the Senator Paul H. Douglas Ethics in Government Award. The 2008 recipient is former Supreme Court Justice Sandra Day O'Connor. She is the first woman to be so honored.

There has been a long list of public servants who have distinguished themselves with their integrity and their show of ethics in government who have been acknowledged for this award, and Justice Sandra Day O'Connor certainly follows in that tradition.

It was my good fortune as a young college student to work as an intern in the office of Senator Paul Douglas. It truly shaped my life and convinced me that public service was a good calling, and I was lucky, as I have said many times, to be inspired by the gospels of St. Paul—that would be former Senator Paul Douglas and former Senator Paul Simon—who showed me what I thought was the very best in public service in their honesty—not only dollar honesty but honesty on the issues. It is a great honor for me to continue and serve in the same Senate seat that both of these men occupied.

But today the University of Illinois honored Sandra Day O'Connor, and she is well deserving—the first woman to serve on the U.S. Supreme Court. By the time her career was coming to a close, she became one of the most decisive forces on that High Court. During her last decade on the Court, 193 decisions were made by the Court by a vote of 5 to 4. One Justice's vote made the difference, and in 148 of those 193 cases, that one vote was cast by Justice Sandra Day O'Connor.

There were so many issues—issues regarding privacy, the rights of people with disabilities, affirming the voting

rights of Americans, preserving the rights of universities to use affirmative action, protecting the rights established under McCain-Feingold to have cleaner elections in America, upholding State laws giving individuals their rights under health insurance contracts, preserving the authority of the Federal Government to protect the environment, banning the execution of children, reaffirming America's time-honored tradition of separation of church and state.

One New York Times reporter wrote in 2001 that Justice O'Connor's vote tipped the scale so often that “we are all living now in Sandra Day O'Connor's America.”

As I said a few moments ago in introducing her at this gathering, one of her most significant and oft-quoted opinions was a recent one—her landmark decision in *Hamdi v. Rumsfeld*, in which she famously wrote:

A state of war is not a blank check for the President when it comes to the rights of a Nation's citizens.

Mr. President, I wanted to come to the floor briefly today to add my voice to so many Americans in gratitude to Sandra Day O'Connor for her great service to Arizona and to the United States of America and to the Supreme Court. I am glad her voice is still strong and part of the public chorus, calling on us to be better as a people and better in government.

Mr. President, I ask unanimous consent to have printed in the RECORD the speech I gave during the awards ceremony.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY ASSISTANT SENATE MAJORITY LEADER RICHARD J. DURBIN CONGRATULATING JUSTICE SANDRA DAY O'CONNOR ON RECEIVING THE 2008 SENATOR PAUL H. DOUGLAS ETHICS IN GOVERNMENT AWARD

I would like to acknowledge University of Illinois President Joseph White, Chairman Shah and members of the University of Illinois Board of Trustees; Robert Rich and the staff of the Institute of Government and Public Affairs; and members of the Douglas family.

I also want to acknowledge the members of the Douglas Senate family—those of us who had the good fortune to have worked for Paul Douglas in the Senate and whose hearts and minds and lives were enlarged by his example.

Sadly, there is one important member of the Douglas Senate family who is missing this year. Paul Douglas lost the use of his left arm when it was smashed to pieces in Okinawa in World War II. But he gained another strong right arm when he and Howard Shuman joined forces in the United States Senate. On the Civil Rights Act, the Voting Rights Act and so many important battles, Howard Shuman truly was Paul Douglas' “right hand man.” We are all free-er because of their partnership. It's good to see Howard's daughter Ellen and other members of the Shuman family here today.

We are here today to celebrate a woman whose courage, character and wisdom helped preserve many of the same principles that Paul Douglas spent his life fighting to protect and enlarge. It is an honor to join you in recognizing Justice Sandra Day O'Connor.

Before I say a few words about Justice O'Connor, I want to acknowledge another person whose wisdom and integrity has served our nation so well—Supreme Court Justice David Souter.

Thank you, Justice Souter, for your many years of service to our nation and our Constitution. Your voice on the Court has made a difference.

Someone asked me once where I found my political inspiration.

I said, “Most of it comes from the gospel of St. Paul.” Paul Douglas. And another brilliant and compassionate statesman, Paul Simon. Much of what I know that is good and important about politics, I learned from them.

Paul Simon once said that the test for a Supreme Court nominee is not where he or she stands on a given issue. The real test is: Will this Justice use his or her power on the Court to restrict freedom, or expand it?

Justice O'Connor and Justice Souter, you have both scored high grades on the Paul Simon test. Our nation is better for your service. And we are grateful to you.

If the man or woman President Obama nominates to serve as America's next Supreme Court Justice is as independent, open-minded and fair as the two of you—and I feel confident they will be—our country and our Constitution will be in good hands.

And now, regarding our guest of honor. What can you give a woman who has already been inducted into the National Cowgirl Hall of Fame?

It took 190 years and 101 male Justices before Sandra Day O'Connor broke the gender barrier on the United States Supreme Court. It took only 14 years and 16 male recipients for Justice O'Connor to become the first woman recipient of the Paul Douglas Ethics in Government Award. That is progress.

Paul Douglas is most closely associated with the civil rights movement. But he was a true egalitarian. He believed in equality of opportunity for all people. And he greatly admired strong, intelligent women.

He kept a series of photographs in his office. One was a photo of one of his political heroes, Jane Addams, the great social reformer from Chicago whom he first met in 1921.

My first introduction to Jane Addams was that 1966 campaign. We started off by making a visit to Freeport to lay flowers on the grave of Jane Addams.

I think it would make Senator Douglas quite proud to see an award bearing his name presented to a woman who has done so much to advance the causes of equal justice and equal opportunity, which were so dear to him.

There are some strong similarities between Senator Douglas and Justice O'Connor.

He grew up in the Maine woods. She grew up on a ranch in the high desert on the Arizona-New Mexico border. It was in those isolated environments of their childhoods that they both developed a lifelong love of reading and learning.

(Of course, life on the Lazy B Ranch wasn't all books and reading. By the time she was 8 years old, Justice O'Connor could drive a truck ... mend a fence ... brand cattle ... and shoot her own .22 caliber rifle. She had cowboys for friends and a bobcat for a playmate—good preparation for all those Supreme Court conferences.)

Another, more important similarity between Senator Douglas and Justice O'Connor is their shared distrust of ideology.

Here is a fact about Paul Douglas that many people do now know. His first foray into elected politics was running for mayor of Chicago as a Republican. He was elected to the Board of Alderman as an Independent. It wasn't until he first ran for the Senate